Supreme Court, U.S.
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In The

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1993

ALTON B. HORNBACK,

Petitioner,

v.

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

SUPPLEMENTAL APPENDIX

ALTON B. HORNBACK
Petitioner, Pro Se
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San Diego, CA 92122
(619) 453-3334

2 March 1994

15 pp

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

ALTON B. HORNBACK, Plaintiff, v. UNITED STATES OF AMERICA Defendant.	CIVIL NO. 89-1914-R(M) ORDER GRANTING SUMMARY JUDGMENT

Plaintiff Alton Hornback brought this action under 35 U.S.C. §183, a statute which provides a remedy for inventors whose patents are restricted by government secrecy orders.

Background

Plaintiff is a retired scientist who, while working for McDonnell Douglas Astronautics Company ("MDAC"), invented a missile guidance device referred to as a "Real Time Boresight Error Slope Sensor" (hereafter "Sensor"). According to

plaintiff, this device "senses in real time the boresight error slope for a missile with a radar-guided homing device." Complaint at 2.

At the time of its invention, the Sensor was classified "Secret" by MDAC and could be disseminated only on a need-to-know basis by or to persons holding adequate security clearances. MDAC was not interested in developing the technology and released its rights in the device to Plaintiff on March 13, 1986.

In April 1986, the United States Patent and Trademark Office received from MDAC a patent application--designated "Secret" by MDAC--for Plaintiff's Sensor.

On August 24, 1987, the Patent Office issued a secrecy order on the application at the request of the Air Force. This secrecy order--which remains in place today--prohibits the publication or disclosure of the subject matter of the

application to any person except those specifically authorized in the order or those having the requisite clearances on a need-to-know basis.

On September 17, 1987, the Patent Office indicated that the patent application was in condition for allowance, but stated that the patent would not be issued while the application remained under a secrecy order.

In August 1987, Plaintiff submitted a claim to the Air Force under 35 U.S.C. §183 for damages allegedly caused by the secrecy order. Plaintiff's claim was denied on September 29, 1988.

In 1989 and 1990, plaintiff sent unsolicited proposals to several defense contractors in an effort to sell his rights in the Sensor. All were rejected. None of the rejections mentioned the secrecy order as a factor in the rejection.

To date, the Sensor has neither been constructed nor tested to verify that it operates as Plaintiff predicts in his patent specification.

Plaintiff brought this action under 35 U.S.C. §183 for damages for use of the invention and for damages caused by the secrecy order. Under Stipulation and Order of the Court of February 19, 1992, Plaintiff waived his use claim pending the recision of the secrecy order and issuance of his patent. Thus, this Order rests solely on damages resulting from the secrecy order.

Legal Standard

Summary judgment is appropriate when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56.

Once the movant has met the initial burden of demonstrating no issue of material

fact, the burden shifts to the party resisting the motion who "must set forth specific facts showing that there is a genuine issue for trial." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 256 (1986). It is not enough for the party opposing a properly supported motion for summary judgment to "rest on mere allegations or denials of his pleadings." Id. Genuine factual issues must exist that "can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party." Id. at 250.

To make such a showing, the nonmoving party must go beyond the pleadings to designate specific facts showing that there is a genuine issue for trial. Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986).

A moving party is entitled to judgment as a matter of law if the nonmovant fails to make a sufficient showing of an element of

its case with respect to which it has the burden of proof. Id.

Discussion

Here, Defendant United States ("Government") has met its initial burden by demonstrating that no issue of material fact has been raised. In his opposition brief to this Motion for Summary Judgment and at the hearing on this Motion, Plaintiff did not argue genuine issues of material fact. Instead, Plaintiff merely argued that he is entitled to damages notwithstanding settled precedent on the relevant issues.

Unfortunately for Plaintiff, however, the case law discussing 35 U.S.C. §183 dismisses all of Plaintiff's arguments. No factual claims remain, and Summary Judgment is therefore appropriate.

Actual Damages

Section 183 requires that a plaintiff

demonstrate actual damages or "concrete evidence of damages" to recover for harm allegedly stemming from a secrecy order. Constant v. United States, 1 Cl.Ct. 600 (1982), aff'd, 714 F.2d 162 (Fed. Cir. 1983), cert. denied, 464 U.S. 1041 (1984) (Constant II). Constant II also involved an inventor suing under §183.

The court in Constant II noted that the plaintiff's evidence consisted solely of his own uncorrobated testimony that the secrecy order impeded his ability to market his invention. Id. at 606. The court concluded that

> These conjectural and speculative claims must be rejected in toto. Apart from plaintiff's own conclusory ipse dixit testimony, the record is devoid of any probative evidence tending to show that the companies alleged to be potential "customers" were interested in plaintiff's unsolicited proposals, or that the secrecy order interfered with the plaintiff's attempts to sell his system. . . .

Id. at 607.

As in Constant II, plaintiff here does not offer any proof of actual damages. Instead, he states that "actual" damages are unnecessary in light of the "severe and total damage" he has allegedly suffered. Opposition to Motion for Summary Judgment at 2. Additionally, Plaintiff gives only his own rough estimate of the money the government would save on missiles if his Sensor were used, and then speculates what his share of the royalties would be. Plaintiff's speculation is insufficient to establish an issue of material fact to defeat the Motion for Summary Judgment.

Plaintiff has similarly proffered no evidence of actual damages resulting from the secrecy order. Plaintiff has presented no proof beyond his own assertion that his Sensor would be of interest to any defense contractor or the United States military, the admitted extent of possible customers.

Furthermore, Plaintiff has not

demonstrated that the alleged harm has been caused by the secrecy order. For example, not one of the rejection letters he received from a defense contractor mentions the secrecy order as a reason for not pursuing Plaintiff's invention. For this reason, the Plaintiff has failed to present a genuine issue of material fact regarding damages.

Fifth Amendment Taking Argument

Plaintiff argues that he is the victim of a compensable taking propagated by the government and claims that "the triable issue of fact is . . . the severe and total damage defined by the eminent domain 'taking' of Plaintiff's property. . ." Opposition to Motion for Summary Judgment at 2.

Again, case law does not support Plaintiff's position. The court in Constant v. U.S., 16 Cl.Ct. 629 (1989), aff'd, 884 F.2d 1398 (Fed. Cir.), cert. denied, 493

U.S. 1002 (1989) (Constant III), held that 35 U.S.C. §183 is an exclusive remedy for parties in plaintiff's position and that a Fifth Amendment taking argument is therefore inappropriate. Id. at 632.

Despite his lack of a taking claim in his complaint, Plaintiff asserts such a claim in his opposition. In his brief, Plaintiff attempts to distinguish the Constant III holding by stating that (1) the opinion is "too weasel worded," (2) the facts are not 100% identical, and (3) plaintiff would have tried the Constant case differently, so he should not be bound by the precedent. Memorandum of Points and Authorities in Support of Plaintiff's Opposition to Motion for Summary Judgment at 5-8. Despite these objections, Constant III is directly on point and therefore dispositive of the issue.

Lack of Reliance on Government Misstatement

At the hearing for this Motion, Plaintiff raised the issue of reliance on a misstatement of the law in a letter he received from the Defense Investigative Service. The letter, signed by William R. Stedman, incorrectly quoted the Industrial Security Manual for Safeguarding Classified Information (ISM). Plaintiff included the misstatement in his own brief and claimed he relied to his detriment on the misstatement.

In response to questions from this Court, Plaintiff admitted that he had filed this suit, in addition to his administrative claim, before he had received the erroneous quotation from the Defense Investigative Service. Plaintiff also stated that he is now aware that the quotation was incorrect and that he currently has a copy of the ISM in his possession.

No issue of estoppel is raised by plaintiff's argument and the Court's findings are unaffected by this issue.

Conclusion

This court finds that Defendant United States of America has met the requirements of Rule 56. The Government has demonstrated that no genuine issue of material fact remains and that there is an absence of evidence to support Plaintiff's case.

Plaintiff has failed to make a sufficient showing on any genuine issue of material fact and has proffered no evidence of actual damages. Defendant's Motion for Summary Judgment is GRANTED.

IT IS SO ORDERED:

DATE: 10-1-92

STAMPED

JOHN S. RHOADES
JOHN S. RHOADES, SR.
UNITED STATES DISTRICT JUDGE

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